GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:4538
ANSWERED ON:08.05.2007
CLOSURE OF UNITS IN BALCO AND HZL
Dubey Shri Chandra Shekhar

Will the Minister of MINES be pleased to state:

(a) whether after disinvestment/strategic scale of BALCO and Hindustan Zinc Ltd. (HZL), the strategic partners to the Government have closed down its Functional Units and Establishment;

(b) if so, the details thereof;

(c) whether the Government have also accorded the final approval therefor;

(d) if so, the details thereof; and

(e) if not, the steps are being taken by the Government for their illegal closure?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MINES (SHRI SIS RAM OLA)

(a) & (b): As informed by Hindustan Zinc Limited(HZL), Agnigundala mine in Bandalamottu, Guntur District, Andhra Pradesh and establishment of Sargipalli mine, Sundergarh District Orissa were closed down after disinvestment. As regards Bharat Aluminium Company Limited (BALCO), the Company has informed that after disinvestment, production at Bidhan Bag Unit, West Bengal was stopped due to heavy loss on production of value added products, higher scrap generation, poor quality, poor sales realization and customer rejection while operations at their non value adding operations such as Profile Tube Shop (PTS) Unit in the factory at Korba were discontinued to save costs.

(c) & (d): The decision for closure of Agnigundala and Sargipalli mines of HZL was taken on 12th May, 2000 by the Board of Directors of HZL, while it was a Public Sector Undertaking. As regards BALCO, the Company has informed that for stopping of the production at Bidhan Bag Unit and discontinuation of operations of the PTS, no approvals under law or under the shareholders agreement are required.

(e): Does not arise.